**Appendix A**

# Animal Services Special Operating Agency

# 2021 Business Plan

## Service Overview:

Animal Services continues to provide animal control measures under the City of Winnipeg Charter and Responsible Pet Ownership Bylaw (RPO). The Agency's current service consists of four areas:

| Sub-Service | Description |
|---|---|
| Licensing | o Pet licensing<br>o Excess animal permits |
| Adoption/Education | o Adoption of unclaimed dogs<br>o Public education programs on responsible pet ownership |
| Kenneling | o Kenneling and care for stray animals running-at-large picked up by the Agency and the public.<br>o Quarantine kenneling for biting dogs |
| By-Law Enforcement | o Enforcement of the RPO By-law<br>o Neighborhood dispute resolution<br>o Investigation and response<br>o After hours emergency response<br>o Investigation of illegal animal complaints |

The Agency works in partnership with the veterinarian community, the Winnipeg Humane Society (WHS), and other stakeholders to ensure the human and animal populations of the City of Winnipeg can co-exist in harmony.

## Strategic Direction:

Animal Services remains committed to its goals and strategies, core business operation, and financial stability. These strategies relate to:

- A strengthened commitment to public and animal health and safety through increased public awareness and increased pet ownership education and outreach;
- An enhanced public image.
- Agency sustainability through adequate funding via pet licensing revenues and mill rate support.

## Goals and Strategies:

**Maintain the enforcement of the Responsible Pet Ownership Bylaw and continue to educate pet owners regarding their responsibilities, including pet licensing**.

- Maintain "Zero Tolerance" pet licensing policy coupled with value added educational messaging.
    - Zero tolerance means that if you are a pet owner and your pet is not currently licensed, you will be immediately subject to a $250 fine.
    - Over 46,000 dogs and 27,000 cats are now licensed in Winnipeg. Included in these totals are approximately 6,500 complimentary one-year licenses, which were issued through adoptions and low-income spay/neuter programs.
    - An educational newsletter is mailed out annually to licensed pet owners. The newsletter is designed as an educational tool to communicate the value of licensing along with the good things being accomplished with licensing dollars.

    - Advertising and media collaboration will continue to be used to educate the public about the zero-tolerance policy and the value and importance of pet licensing.
    - License revenues help protect one's pet while supporting the essential service of animal control.
    - Licensing enforcement will continue with the Agency's complement of Animal Services Officers.
- Continue e-commerce capabilities on Winnipeg.ca:
    - Online pet licensing.
    - Online donations to support animals in the Agency's adoption program.
- Provide ongoing opportunities for public education regarding the RPO.
- Target Parks and Off-Leash areas with both educational and pet license messaging.

**Increase customer service and satisfaction through improvement in front-line service delivery**.

- Actively engage the community through seven day a week facility business hours.
- Modernized website presence on Winnipeg.ca/animalservices including adoptable animals and educational messaging.
- Open engagement for feedback from the community through an annual newsletter.
- 24/7 reunification of licensed pets through the 311 Service Centre.
- Multiple volunteer run social media platforms including Facebook, Instagram, Twitter, and YouTube.
- Innovative two-way communication with Winnipeg Lost Dog Alert to increase reunification of lost pets.
- Review the Agency's technological needs and upgrade as necessary.
- Next generation Toughbooks used for real-time incident management via 311.
- Support ongoing staff training and development.
- Innovate and green operations including the development of paperless license invoices.

**Improve health and safety of neighborhoods.**

- Provide active response to community incidents involving animals and people.
- Respond to dog attacks against people and animals.
- Respond to both Winnipeg Police Service and Winnipeg Fire Paramedic Service incidents to assist in the care of animals.
- Enhance prevention and education programs. The Agency attends more than 30 community events annually.
- Provide volunteer opportunities including programming that helps at risk youth.
- Provide presentations to newcomer groups regarding interacting with dogs and cats.
- Provide educational materials for both animals and people including social services messaging.
- Develop ongoing creative marketing promotions regarding responsible pet ownership and Animal Services.
- Encourage pet owners to spay/neuter their pets.
- Continue to make funding available for cat spay/neuter programming to community agencies through the FIXIT grant program. Funding is made possible through cat licensing.

- Develop “green” strategies to improve facility and fleet operations to reduce environmental impact and save taxpayers money.

**Enhance the Agency’s public image.**

- Provide opportunities for public engagement through a facility open seven days a week and outreach by Animal Services Officers including attendance at numerous community events.
- Expand relationship with media promoting responsible pet ownership and Agency initiatives.
- Provide a progressive adoption program of unclaimed pets, including promotion on Winnipeg.ca and through social media.
    - Work to reduce euthanizations as much as possible.
- Continue 24/7 emergency response and care for injured animals.
- Provide caring and compassionate help for both animals and people in the community.
- Actively respond and listen to resident complaints or suggestions regarding the Agency.

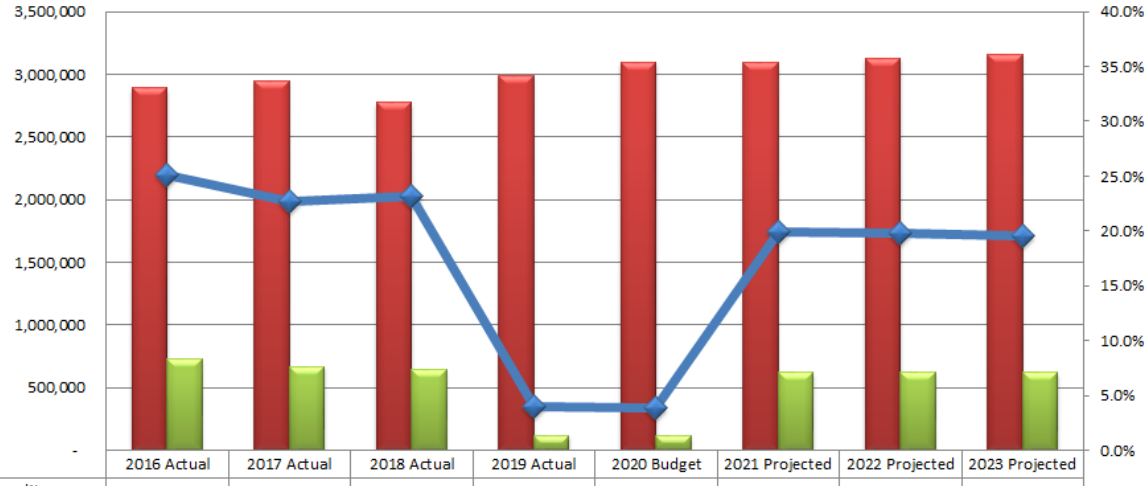
**Financial Information:**

Pro forma financial statements with 2021 to 2023 Projections are attached. These include a Projected Statement of Financial Position, Projected Statement of Operations and Accumulated Deficit, Projected Statement of Cash Flows and a Projected Statement of Net Financial Liabilities.

2019 Audited Financial Statements are attached for reference (Appendix B).
Tax-supported funding for the Agency is reflected as a Mill Rate Support Transfer to Animal Services in the Community Services Department budget.

Table 1 outlines the Agency's growing reliance on license and other service revenues. Operational expenditures ($3,761,199), excluding the grant to the WHS ($652,273), are projected to be $3,108,926 in 2020. The Agency is currently provided less operational mill rate support than funding to the WHS. Operational mill rate support for 2021 is projected to be $618,946 (gross mill rate support $1,271,219 less WHS grant $652,273). The proposed funding for 2021 will only cover 19.9% of the Agencies costs leaving $2,489,980 to be covered by license and other service revenues. As a result, the Agency has to place significant reliance on license revenues and donations in order for the Animal Services agency to successfully operate.

**Table 1: Operational Expenditures versus Operational Mill Rate Support**




| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Projected | 2022 Projected | 2023 Projected |
|---|---|---|---|---|---|---|---|---|
| Operational Expenditures | 2,889,876 | 2,946,908 | 2,775,272 | 2,985,442 | 3,097,530 | 3,098,926 | 3,128,661 | 3,162,725 |
| Operational Mill Rate Support | 726,563 | 667,301 | 643,123 | 118,946 | 118,946 | 618,946 | 618,946 | 618,946 |
| Percent recovered | 25.1% | 22.6% | 23.2% | 4.0% | 3.8% | 20.0% | 19.8% | 19.6% |

## REVENUE:

### Mill Rate Support

- The direct mill rate support to Animal Services operational expenses in 2021 is projected to be $618,946 after $652,273 of the gross mill rate support ($1,271,219) is transferred to the Winnipeg Humane Society.
- Animal Services receives the lowest amount of mill rate support when compared to major governmental animal agencies in other Canadian jurisdictions (see Appendix "D").
- In 2019, the City entered into a three-year service agreement with the Winnipeg Humane Society primarily for the care and kennelling of stray cats. The Winnipeg Humane Society receives $652,273 in funding paid through Animal Services.

### Revenue (Non-Mill Rate Sources)

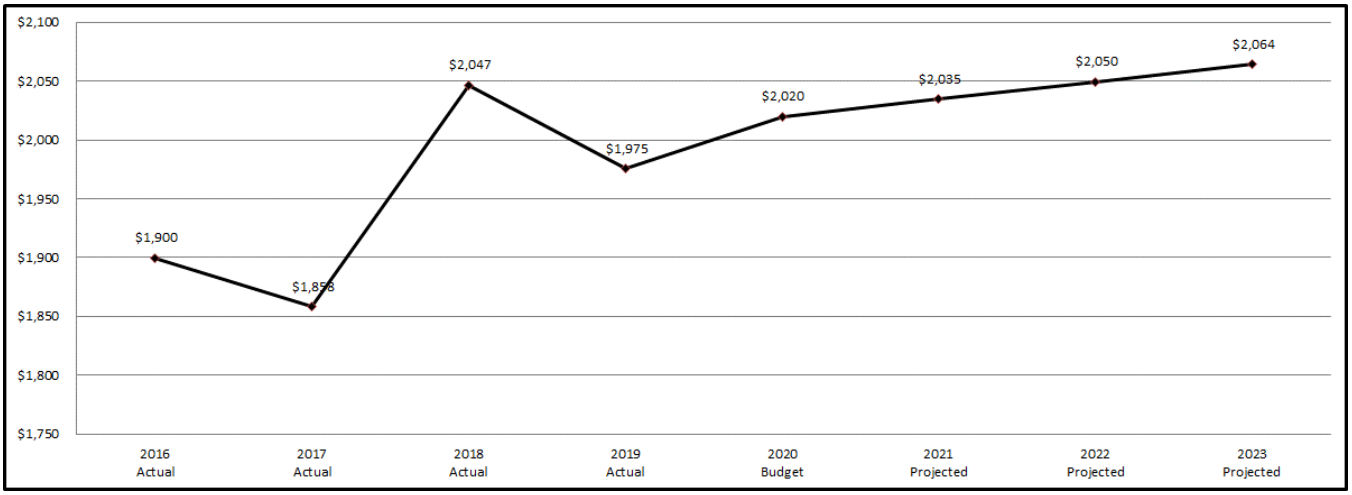
The Agency receives revenue from a number of sources including, pet licenses, adoption/kennel fees, and donations.

### Dog Licensing

Annual inflationary increase for dog license fees are projected to be 0.6% for 2021 – 2023 (sterilized).

Table 2 outlines dog license revenues, recognized and recorded on an accrual basis for 2016 – 2019 with projected revenues for 2020 through 2023. Future year's revenues are based on 47,000 licenses being sold of which 92% are expected to be for sterilized dogs.

**TABLE 2: Dog License Projected Revenue**
**($000)**



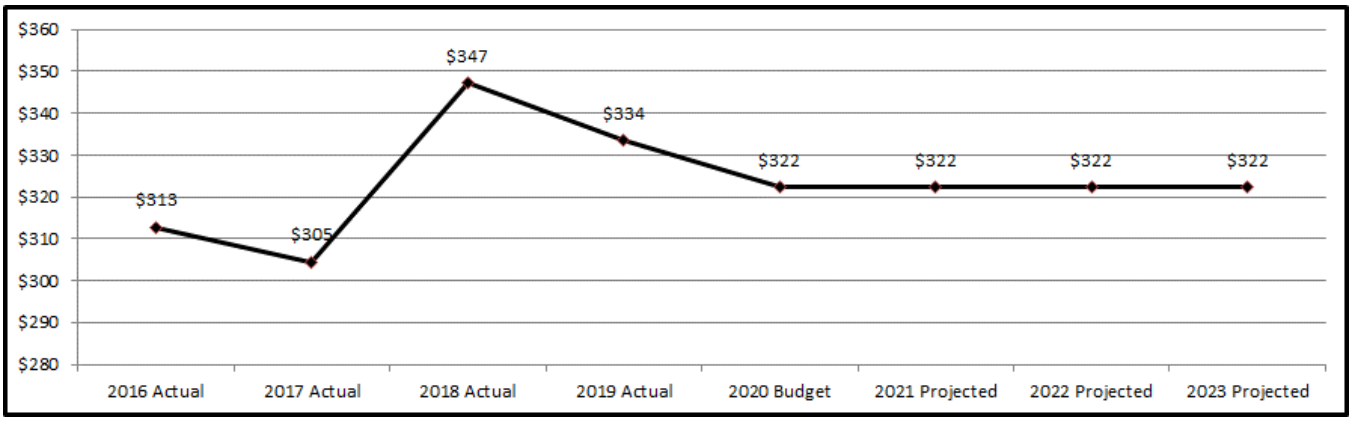

Since license purchases and renewals occur throughout the year, there is unearned revenue on hand at year-end that is deferred to future years. Deferred revenue from previous years is recognized in income at the end of the year.

### Cat Licensing

Council approved the implementation of cat licensing effective January 1, 2015. The annual cat license fees are $15.00 for sterilized cats and $50.00 for intact cats. License Fees are proposed to remain at these levels for 2021 for sterilized cats. Approximately 45% of cat licenses fees are set aside for low cost cat spay/neuter programming for low income residents.

Table 3 outlines projected revenues for 2020 through 2023. Future year's revenues are based on 21,000 licenses being sold of which 99% are expected to be for sterilized cats.

**TABLE 3: Cat License Projected Revenue**
**($000)**




### Other Regulation Fees

- Other regulation fees are proposed to increase by the rate of inflation in all budget years, as provided by the City's Fees and Charges Policy.

## EXPENSES:

Table 4 shows the Agency's actual and projected expenses for the period 2018 through 2023.

**TABLE 4: Actual and Projected Expenses**

| Expense Type | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Projected | 2022 Projected | 2023 Projected |
|---|---|---|---|---|---|---|
| Salaries & Benefits | 1,586,802 | 1,754,594 | 2,000,498 | 2,027,358 | 2,062,197 | 2,104,066 |
| Services | 191,589 | 213,235 | 232,602 | 232,102 | 232,102 | 232,102 |
| Departmental Services | 255,646 | 256,004 | 226,364 | 226,726 | 227,090 | 227,456 |
| Materials, Parts, Supplies | 111,717 | 137,343 | 108,601 | 108,601 | 108,601 | 108,601 |
| Fleet | 111,350 | 112,083 | 88,847 | 64,521 | 64,053 | 65,722 |
| Assets & Purchases | 31,956 | 38,842 | 9,229 | 9,229 | 9,229 | 9,229 |
| Debt & Finance Charges | 57,379 | 52,428 | 45,602 | 43,602 | 38,602 | 38,602 |
| Grants, Transfers, WHS | 1,081,106 | 1,073,186 | 1,038,060 | 1,039,060 | 1,039,060 | 1,029,220 |
| **Total Expenses** | **3,427,545** | **3,637,715** | **3,749,803** | **3,751,199** | **3,780,934** | **3,814,998** |

**Salaries and Benefits** *(2021 Proposed = $2,027,358)*

- 2021 proposed salary levels are based on existing grades and levels as per the collective agreements. Staffing levels have not increased for three years and remain constant.
- The total staff complement will consist of 27.15 FTE (27.50 FTE net of vacancy management of .35 FTE).
    - The CUPE positions include:
        - Six clerical staff (one Clerk C, two Clerk B, and three Clerk A positions)
        - One Education/Outreach Coordinator
        - Two Animal Services Officer II positions
        - Ten Animal Services Officer I positions
        - One part-time Animal Services Officer I positions (total 0.5 FTE)
        - Two Registered Vet Technicians
        - Three part-time Kennel Attendant Assistants (total 2 FTE)
    - The WAPSO/WAPSO exempt positions include:
        - One Chief Operating Officer
        - One Field Operations/Court Coordinator
        - One Operations Coordinator
        - One Financial Analyst

**Services** *(2021 Proposed = $232,102)*

- Animal Services budgeted $26,300 for telephones, pagers, internet and GPS expenses.
- Other major services used by the Agency include non-professional services ($21,600), veterinary professional services ($60,000), advertising ($32,400), audit fees ($6,000), printing and postage ($64,300), and other various smaller services ($21,500).

**Departmental Services** *(2021 Proposed = $226,726)*

- Animal Services purchases administrative services from the City's Community Services Department. Included in these services is assistance with respect to finance, human resources, and information technology.

- The Agency's Departmental Services budget includes a payment of $79,866 for General Government Charges for support provided by Corporate Finance and Corporate Services (See Table 5 below for Interdepartmental Support).

**TABLE 5: Actual and Projected Departmental Services**

| | 2018 Actual | 2019 Budget | 2020 Proposed | 2021 Projected | 2022 Projected | 2023 Projected |
|---|---|---|---|---|---|---|
| Strategic Planning | 30,000 | 30,000 | 0 | 0 | 0 | 0 |
| Financial Services | 62,420 | 62,420 | 62,420 | 62,420 | 62,420 | 62,420 |
| Human Resources | 58,430 | 58,430 | 58,430 | 58,430 | 58,430 | 58,430 |
| Information Systems | 26,010 | 26,010 | 26,010 | 26,010 | 26,010 | 26,010 |
| General Government Charges | 78,786 | 79,144 | 79,504 | 79,866 | 80,230 | 80,596 |
| **Total** | **$255,646** | **$256,004** | **$226,364** | **$226,726** | **$227,090** | **$227,456** |

**Materials, Parts & Supplies and Assets & Purchases** *(2021 Proposed = $117,830)*

- Operating supplies related to caring for animals is budgeted at $38,700.
- Other expenses in this category include uniforms and protective clothing ($12,500), computer software ($40,000) and stationery and office/other supplies ($17,500).
- Assets and purchases include office/other equipment ($4,200) and computer upgrades ($5,000).

**Fleet** *(2021 Proposed = $64,521)*

- Animal Services Agency replaced its animal control fleet of six vans in 2013. Overall, the fleet cost has decreased due to the end of the 7 year capital leases.

**Debt and Finance Charges** *(2021 Proposed = $43,602)*

- Depreciation of $5,000 will be charged in 2020.
- Finance charges include bank service charges ($6,300) and credit card commissions ($32,300).

**Grants, Transfers, and Other (including Accommodations)** *(2021 Proposed = $1,039,060)*

- The City of Winnipeg provides annual funding of $652,273 to the Winnipeg Humane Society (WHS) under a service agreement. There are two components to the agreement:
    - The operating portion is for the WHS to provide kenneling and care for all stray cats pursuant to the RPO and to manage other activities, mainly caring for injured dogs and cats (2021 - $595,104).
    - The second component is a low-cost cat spay/neuter SNAP program (2021 - $57,169).
- The current agreement is in place until December 31, 2021.

- The Agency also provides grants under the FIXIT program for the spay/neuter of cats (2021 - $145,057).
- The Agency facility is owned by the City of Winnipeg; however, Animal Services is charged rent of $205,167 per year.
- Municipal Accommodations leases the lower level of 1057 Logan Avenue to the Community Services Department, Community By-Law Enforcement Services for storage of bicycles, and Winnipeg Repair Education and Cycling Hub (WRENCH).
- Other transfers include payroll tax ($28,260) and inter-fund transfer for information services ($8,300).

## Projected Statement of Financial Position

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

| As At December 31 | Audited Actual 2019 | Budget 2020 | Projected 2021 | Projected 2022 | Projected 2023 |
|---|---|---|---|---|---|
| ***FINANCIAL ASSETS*** | | | | | |
| Cash | 17,699 | 17,699 | 17,699 | 17,699 | 17,699 |
| Due From the City Of Winnipeg - General Revenue Fund | 2,907,708 | 2,544,491 | 2,694,628 | 2,829,780 | 2,945,618 |
| | 2,925,407 | 2,562,190 | 2,712,327 | 2,847,479 | 2,963,317 |
| ***LIABILITIES*** | | | | | |
| Accounts payable and accrued liabilities | 293,104 | 293,104 | 293,104 | 293,104 | 293,104 |
| Deferred revenue | 1,458,596 | 1,458,596 | 1,458,596 | 1,458,596 | 1,458,596 |
| Vacation and overtime payable | 99,187 | 99,187 | 99,187 | 99,187 | 99,187 |
| Retirement allowance and compensated absences | 141,000 | 141,000 | 141,000 | 141,000 | 141,000 |
| | 1,991,887 | 1,991,887 | 1,991,887 | 1,991,887 | 1,991,887 |
| ***NET FINANCIAL LIABILITIES*** | 933,520 | 570,303 | 720,440 | 855,592 | 971,430 |
| ***NON-FINANCIAL ASSETS*** | | | | | |
| Tangible capital assets (Note 6) | 11,644 | 11,644 | 11,644 | 11,644 | 11,644 |
| ***ACCUMULATED (DEFICIT) / SURPLUS*** | $ 945,164 | $ 581,947 | $ 732,084 | $ 867,236 | $ 983,074 |

*See accompanying notes and schedules to the financial projections*

## Projected Statement of Operations and Accumulated (Deficit)/Surplus

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

| For the year ended December 31 | Audited Actual 2019 | Budget 2020 | Projected 2021 | Projected 2022 | Projected 2023 |
|---|---|---|---|---|---|
| ***REVENUES*** | | | | | |
| Government grant | 27,234 | 27,259 | 27,259 | 27,259 | 27,259 |
| Regulation fees | 2,364,895 | 2,404,808 | 2,419,558 | 2,434,308 | 2,449,058 |
| Sales of goods and services | 90,947 | 67,300 | 67,300 | 67,300 | 67,300 |
| Transfer (Note 5h) | 771,219 | 771,219 | 1,271,219 | 1,271,219 | 1,271,219 |
| Other revenue | 198,823 | 116,000 | 116,000 | 116,000 | 116,000 |
| Total Revenues | 3,453,118 | 3,386,586 | 3,901,336 | 3,916,086 | 3,930,836 |
| ***EXPENSES*** | | | | | |
| Salaries and employee benefits | 1,754,594 | 2,000,498 | 2,027,358 | 2,062,197 | 2,104,066 |
| Services (Note 6) | 300,114 | 298,140 | 273,618 | 273,670 | 275,811 |
| Rent (Note 6) | 205,167 | 205,167 | 205,167 | 205,167 | 195,327 |
| Administrative expenses (Note 6) | 256,004 | 226,364 | 226,726 | 227,090 | 227,456 |
| Material, parts and supplies | 162,547 | 131,910 | 131,606 | 131,086 | 130,614 |
| Grants, transfers and other | 868,019 | 832,893 | 833,893 | 833,893 | 833,893 |
| Amortization | 13,530 | 7,000 | 5,000 | - | - |
| Debt and finance charges | 38,898 | 38,602 | 38,602 | 38,602 | 38,602 |
| Assets and purchases | 38,842 | 9,229 | 9,229 | 9,229 | 9,229 |
| Interest (Note 6) | - | - | - | - | - |
| Total Expenses | 3,637,715 | 3,749,803 | 3,751,199 | 3,780,934 | 3,814,998 |
| Excess Revenues Over Expenses | (184,597) | (363,217) | 150,137 | 135,152 | 115,838 |
| ***ACCUMULATED (DEFICIT) / SURPLUS BEGINNING OF YEAR*** | 1,129,761 | 945,164 | 581,947 | 732,084 | 867,236 |
| ***ACCUMULATED (DEFICIT) / SURPLUS END OF YEAR*** | 945,164 | 581,947 | 732,084 | 867,236 | 983,074 |

*See accompanying notes and schedules to the financial projections*

## Projected Statement of Cash Flows

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

| For the year ended December 31 | Audited Actual 2019 | Budget 2020 | Projected 2021 | Projected 2022 | Projected 2023 |
|---|---|---|---|---|---|
| **Net inflow (outflow) of cash related to the following activities** | | | | | |
| ***OPERATING*** | | | | | |
| Excess/(Deficiency) of revenue over expenses | (184,597) | (363,217) | 150,137 | 135,152 | 115,838 |
| Non-cash charges to operations | | | | | |
| Amortization | 13,530 | 7,000 | 5,000 | - | - |
| Retirement allowance and compensated absences | 12,000 | - | - | - | - |
| | (159,067) | (356,217) | 155,137 | 135,152 | 115,838 |
| Net change in non-cash working capital balances related to operations | 153,793 | - | - | - | - |
| Cash used in operating activities | (5,274) | (356,217) | 155,137 | 135,152 | 115,838 |
| ***CAPITAL*** | | | | | |
| Acquisition of tangible capital assets | - | (7,000) | (5,000) | - | - |
| ***FINANCING*** | | | | | |
| Change in due to The City of Winnipeg - General Revenue Fund | 14,507 | 363,217 | (150,137) | (135,152) | (115,838) |
| Increase (Decrease) in Cash | 9,233 | - | - | - | - |
| ***CASH, BEGINNING OF YEAR*** | 8,466 | 17,699 | 17,699 | 17,699 | 17,699 |
| ***CASH, END OF YEAR*** | 17,699 | 17,699 | 17,699 | 17,699 | 17,699 |

*See accompanying notes and schedules to the financial projections*

## Projected Statement Of Change In Net Financial Liabilities

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

| *For the year ended December 31* | Audited Actual 2019 | Budget 2020 | Projected 2021 | Projected 2022 | Projected 2023 |
|---|---|---|---|---|---|
| ***EXCESS REVENUES OVER EXPENSES*** | (184,597) | (363,217) | 150,137 | 135,152 | 115,838 |
| Amortization of tangible capital assets | 13,530 | 7,000 | 5,000 | - | - |
| Acquisition of tangible capital assets | - | (7,000) | (5,000) | - | - |
| ***INCREASE (DECREASE) IN NET FINANCIAL LIABILITIES*** | (171,067) | (363,217) | 150,137 | 135,152 | 115,838 |
| ***NET FINANCIAL LIABILITIES, BEGINNING OF YEAR*** | 1,104,587 | 933,520 | 570,303 | 720,440 | 855,592 |
| ***NET FINANCIAL LIABILITIES, END OF YEAR*** | 933,520 | 570,303 | 720,440 | 855,592 | 971,430 |

*See accompanying notes and schedules to the financial projection.*

**CITY OF WINNIPEG**
**ANIMAL SERVICES SPECIAL OPERATING AGENCY**

**NOTES TO THE PROJECTED FINANCIAL STATEMENTS**
*For the three years ending December 31, 2023*

## 1. DESCRIPTION OF BUSINESS

Animal Services, Special Operating Agency commenced operations on January 1, 2000. Animal Services continues to work towards its goals:

- Maintain the enforcement of the Responsible Pet Ownership Bylaw and continue to educate pet owners regarding their responsibilities, as they pertain to including pet licensing
- Increase customer service and satisfaction
- Improve the health and safety of neighborhoods
- Improve the Agency's public image

Since 2000 Animal Services has brought in the following new programs and initiatives:

- Adoption program to give strays a second chance;
- Volunteer program
- Work placement for students in our community;
- Enhanced Free Release program;
- Enhanced education programs;
- Increased marketing campaigns;
- Revamped fines schedule;
- On-line licensing website;
- Full zero tolerance licensing policy;
- 311 selling licenses through Winnipeg.ca;
- Purchased Chameleon software to provide enhanced and updated support for all operational areas of Animal Services;
- Cat licensing;
- Green facility, fleet, and operational initiatives including paperless licensing invoicing.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The projected financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. The projections include the following significant accounting policies:

### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period which it is earned provided it is measurable and collection reasonably certain. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the changes in net financial liabilities for the year.

**(a) Tangible capital assets**

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives using the following annual rates:

| | |
|---|---|
| Computer equipment | 25% |
| Furniture and other equipment | 20% |
| Communication radios | 20% |
| Computer Software | 20% |

**Employee benefit plan**

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expenses as incurred. The costs of other retirement benefits have been accounted for based on actuarially determined amounts using the projected benefits method prorated on services and management's best estimate of retirement ages of employees, salary escalation and plan investment performance. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period. The liabilities are discounted using current interest rates on long-term bonds.

**Estimates**

The preparation of projected financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions are based on the Agency's best information and judgment and may differ from actual results.

## 3. FINANCIAL PROJECTION

This financial projection is an estimate of the financial position, results of operations and change in cash flow, for the operations of Animal Services Special Operating Agency, using management's assumptions which reflect the Agency's planned course of action for the three years ending December 31, 2023. Management's judgment has been used in the assumptions and the most probable set of economic conditions, together with the hypotheses stated in Note 4. The hypotheses are consistent with the purpose of the information. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection. Therefore, the actual results achieved during the projected period will vary from the projections.

## 4. HYPOTHESES

The financial projection has been prepared based on the following hypotheses:

(a) That the City of Winnipeg will agree to provide an annual operating grant of $1,271,219 in years 2021-2023.

(b) That the City of Winnipeg will extend a line of credit as detailed in the Financial Statements contained within the Council approved annual Selection Report prepared by the Agency, sufficient for the Agency to carry on operations.

(c) That the Agency will be allowed to purchase any support services required to sustain ongoing operations.

(d) That the Consumer Price Index will remain at 2.0% for 2021-2023.

(e) That the City of Winnipeg will continue their service agreement with the Winnipeg Humane Society, pending approval of the new funding amount. The current service agreement is in place to December 31, 2021.

## 5. ASSUMPTIONS – REVENUE

### (a) Fees and Charges

Refer to Appendix C – Fees and Charges Schedule for a complete list of all fees charged by the Agency.

### (b) Mill Rate Support from the City of Winnipeg

The Agency is directed to request mill rate support in the amount of $1,271,219 in years 2021-2023; the amount includes $652,273 for the Winnipeg Humane Society (WHS) service agreement and the net remaining is to assist with Animal Services operations.

| YEAR | Gross Mill Rate Support | WHS Service Agreement | Net remaining for Animal Services Operations |
|---|---|---|---|
| **2000 - 2002** | 1,250,000 | 125,000 | 1,125,000 |
| **2003** | 1,100,000 | 125,000 | 975,000 |
| **2004** | 950,000 | 125,000 | 825,000 |
| **2005** | 895,877 | 125,000 | 770,877 |
| **2006** | 1,020,121 | 250,000 | 770,121 |
| **2007** | 1,018,850 | 250,000 | 768,850 |
| **2008** | 1,004,276 | 250,000 | 754,276 |
| **2009** | 1,104,276 | 350,000 | 754,276 |
| **2010** | 1,154,276 | 350,000 | 804,276 |
| **2011** | 1,334,276 | 530,000 | 804,276 |
| **2012** | 1,302,504 | 500,000 | 802,504 |
| **2013 - 2015** | 1,404,276 | 500,000 | 904,276 |
| **2016** | 1,378,836 | 652,273 | 726,563 |
| **2017** | 1,319,574 | 652,273 | 667,301 |
| **2018** | 1,295,396 | 652,273 | 643,123 |
| **2019 - 2020** | 771,219 | 652,273 | 118,946 |
| **2021 - 2023** | 1,271,219 | 652,273 | 618,946 |

## ASSUMPTIONS – EXPENSES

### (a) Salaries and Employee Benefits

The Agency expects to operate with the following staff levels over the next three years:

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| WAPSO/WAPSO Exempt | 4.00 | 4.00 | 4.00 |
| CUPE | 23.50 | 23.50 | 23.50 |
| Total FTEs | 27.50 | 27.50 | 27.50 |
| Less Vacancy Management | -0.35 | -0.35 | -0.34 |
| Total FTEs Less Vacancy Management | 27.15 | 27.15 | 27.16 |

### (b) Grants

The City of Winnipeg will provide annual funding of $652,273 to the Winnipeg Humane Society based upon the agreed upon service agreement, pending approval of the new funding amount. There are two components to the Winnipeg Humane Society agreement:

- The operating portion ($595,104) is for the Winnipeg Humane Society to provide kennelling space for all cats pursuant to the RPO By-law and to manage other animal issues, namely care for injured animals.
- The second component ($57,169) is a low-cost cat spay and neuter program.

The Agency also provides FIXIT grant funding to undertake quality programs to spay/neuter high volumes of cats at a low cost to the community ($145,057).

### (c) Audit Fee

The Agency expects to pay approximately $6,000 annually for audit fees.

### (d) Advertising

The Agency uses various advertising mediums to help build its revenue base. Methods of advertising include an annual newsletter to licensed pet owners, social media, website, billboards, bus kings, newspaper ads, and brochures.

### (e) Municipal Accommodations

The Agency occupies the main floor of the building at 1057 Logan Avenue (12,296 square feet).

### (f) Depreciation

Depreciation is based on rates identified in Note 2

### (g) Administrative Charges

The Agency expects to purchase administrative services from the City's Community Services Department. These services include assistance with respect to finance, human resources, strategic support and information technology. The Agency's fee is $146,860 annually for 2021-2023.

### (h) Corporate Support Services Charges

The City of Winnipeg incurs corporate costs that relate to various shared services such as Legal and PeopleSoft support. The Agency will be charged $79,866 for 2021, $80,230 for 2022, and $80,596 for 2023 by the Corporate Support Services Department.

## 6. ASSUMPTIONS – CASH RECEIPTS AND DISBURSEMENTS

### (a) Cash on hand

$600 is available for the cash register floats.

### (b) Equipment

On start-up, the Agency acquired equipment from the City of Winnipeg. The Agency constantly reviews its technology needs and upgrades equipment as needed. The Agency has assumed that all dispositions will be made at net book value and there will be no gain or loss resulting from the disposition of assets.

### (c) Accounts Payable and Accrued Liabilities

Accounts payable are paid on the basis of 30-day terms and it has been assumed that accounts payable will be nominal at year-end. Accrued liabilities include such items as unpaid contract fees, salary accruals and other year-end payables.

### (d) Deferred Revenue

Animal licenses are renewed throughout the year for a one-year or a two-year term. As a result, there is unearned revenue on hand at year-end that is deferred to future years. Also, deferred revenue from previous years is recognized in income at the end of the year.